



● **Board of Directors**
Business and Finance Committee

4/13/2010 Board Meeting

8-1

Subject

Approve proposed 2010/11 fiscal year budget

Description

The proposed 2010/11 budget reflects significant input from and participation by the Board and member agencies over the past four months. This was facilitated by three board workshops on January 26, February 16, and March 23, 2010, discussion at the January 11, February 8, and March 8 Business and Finance Committee meetings, and several other presentations and caucuses with member agencies. This is the second year that such an extensive review process has been utilized, recognizing the Board's need to carefully deliberate the issues driving Metropolitan's budget, including the water supply situation and the continuing challenges associated with the economic climate. As a result, the proposed 2010/11 budget will be \$66 million less than the 2009/10 budget. This follows last year's successful cost containment efforts, which resulted in a 2009/10 budget that was \$70 million below the 2008/09 budget. The proposed expenditures shown in Table 1 total \$1.73 billion, including operating expenditures, capital expenditures, and debt service.

Table 1. Budget Summary – Total Expenditures (Dollars in Millions)

| | 2008/09 Actual | 2009/10 Budget | 2009/10 Projected | 2010/11 Final Budget | 2010/11 Proposed | |
|--|-------------------|-------------------|----------------------|----------------------------|-------------------|----------------------|
| | | | | | 2009/10 Budget | 2009/10 Projected |
| Expenditures | | | | | | |
| State Water Contract | \$ 394.7 | \$ 478.8 | \$ 452.7 | \$ 497.3 | \$ 18.6 | \$ 44.6 |
| Supply Programs | 84.1 | 125.5 | 113.8 | 103.2 | (22.3) | (10.7) |
| Colorado River Power | 37.4 | 49.8 | 46.3 | 59.6 | 9.8 | 13.3 |
| Debt Service | 287.1 | 330.7 | 305.0 | 348.1 | 17.4 | 43.1 |
| Demand Management | 75.6 | 59.8 | 76.9 | 58.2 | (1.6) | (18.6) |
| Departmental O&M | 291.5 | 289.3 | 294.2 | 295.5 | 6.2 | 1.4 |
| Treatment Chemicals, Solids & Power | 28.4 | 32.8 | 29.5 | 26.5 | (6.3) | (3.0) |
| Other O&M | 24.8 | 18.7 | 16.6 | 15.4 | (3.3) | (1.1) |
| Sub-total Expenditures | 1,223.6 | 1,385.5 | 1,334.9 | 1,403.9 | 18.4 | 69.0 |
| Capital Investment Plan | 416.7 | 412.1 | 346.7 | 327.8 | (84.2) | (18.9) |
| TOTAL Expenditures, CIP & Fund Deposits | \$ 1,640.3 | \$ 1,797.6 | \$ 1,681.6 | \$ 1,731.8 | \$ (65.8) | \$ 50.2 |

Totals may not foot due to rounding.

ACTIONS TO MANAGE THE BUDGET

In response to the cost drivers noted above and the need to meet the Board's priorities, the proposed 2010/11 departmental operations and maintenance (O&M) budget is \$3.4 million less than the \$340.9 million 2009/10

budget, and \$2.8 million less than projected O&M expenditures. In order to achieve these reductions, several actions are reflected in the proposed O&M budget, including:

- a. **Zero increase in base salaries** - The proposed budget does not include an increase in base salaries with the exception of a previously negotiated increase for employees in the Supervisors Association totaling \$0.4 million. The budget includes increases in the cost of benefits of \$2.3 million, including retirement and medical. In addition, an allowance for merit increases is included in the budget leading to another \$2.2 million increase in labor costs.
- b. **Increased O&M work** - A reduction in capital work has permitted renewed emphasis on deferred water system O&M work. An additional shift of labor from capital to O&M was required to support programs in the Bay-Delta. This resulted in shifts from capital to O&M work in these areas of \$2.8 million and \$2.4 million, respectively, for a total of about 29 FTEs.
- c. **Reduced positions and vacancy rates** - The total personnel budget reflects \$8.3 million in savings from eliminating 63 positions, which was largely offset by a reduction in the vacancy rate of \$6.3 million largely for those positions. The combined effect of base salary changes, benefit cost increases, O&M and Bay-Delta work increases, a reduced vacancy rate, and elimination of 63 positions is an \$8.3million overall increase in the labor budget despite a net decrease of 34 budgeted O&M positions.
- d. **Reduced conservation outreach expenditures** - The 2010/11 budget includes \$1.2 million for conservation advertising. This is about \$2.5 million less than in the 2009/10 budget. Given the current water supply conditions, earned media is expected to provide a significant share of the conservation message over the next fiscal year. As a result, this area of Metropolitan's program has been reduced. Conservation incentives and the administrative costs of the conservation incentives programs are maintained at the same levels in the 2009/10 budget of about \$19.1 million and \$1.7 million, respectively.
- e. **Operating Equipment** - Operating equipment expenditures will be reduced by almost \$3.2 million from the 2009/10 budget. This will be the second year operating equipment purchases have been reduced by this magnitude. The 2008/09, 2009/10, and 2010/11 budgets for operating equipment totaled \$9 million, \$5.3 million, and \$2.1 million, respectively. Staff will need to continue to optimize the use of equipment that has experienced lower utilization in an effort to limit replacements to the oldest, least reliable equipment and manage the potentially increasing maintenance cost on older equipment. As mentioned earlier, this reduced level of operating equipment purchases is not sustainable. Operating equipment purchases in 2011/12 and beyond will be higher than in the proposed 2010/11 budget to make up for the deferred replacements.

A summary of the operating and maintenance budget is provided in Table 2 below.

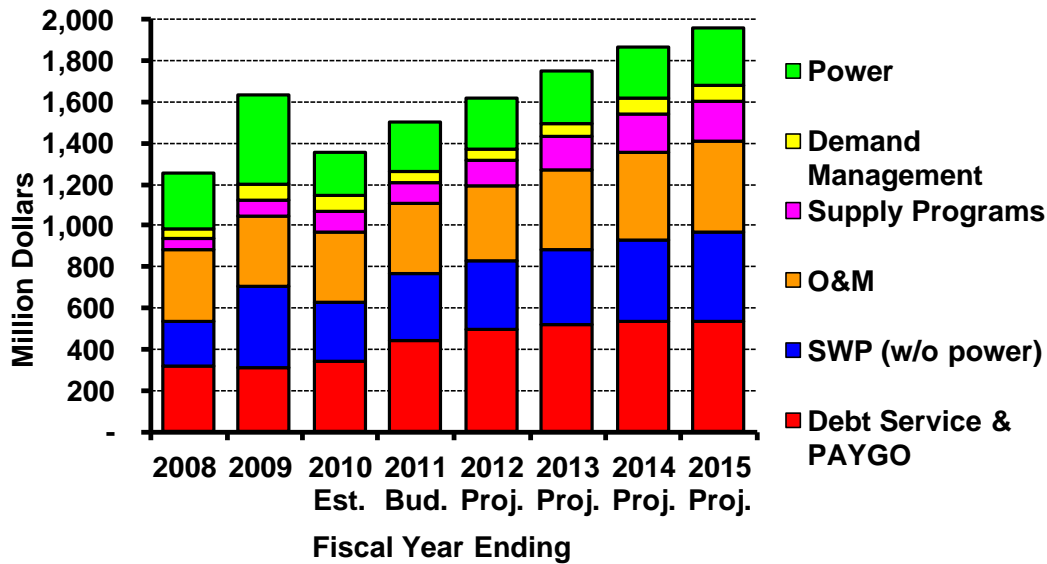
Table 2. Budget Summary – Operations and Maintenance

| | 2008/09 Actual | 2009/10 Budget | 2009/10 Projected | 2010/11 Proposed | Change from: | |
|------------------------------|--------------------|--------------------|----------------------|---------------------|--------------------|----------------------|
| | | | | | 2009/10 Budget | 2009/10 Projected |
| Salaries & Benefits | 208,025,600 | 204,714,300 | 205,974,400 | 212,976,500 | 8,262,200 | 7,002,100 |
| Chemicals, Solids, and Power | 28,381,871 | 32,837,200 | 29,492,300 | 26,493,300 | (6,343,900) | (2,999,000) |
| Outside Services | 39,451,600 | 36,695,900 | 38,200,000 | 37,839,200 | 1,143,300 | (360,800) |
| Materials & Supplies ** | 22,749,536 | 21,673,310 | 22,138,288 | 22,559,271 | 885,961 | 420,983 |
| Cargill Settlement | 3,765,000 | 1,604,900 | 817,000 | 500,000 | (1,104,900) | (317,000) |
| Other | 33,312,694 | 38,079,090 | 38,297,412 | 35,004,829 | (3,074,261) | (3,292,583) |
| Operating Equipment | 8,932,478 | 5,252,800 | 5,300,000 | 2,091,500 | (3,161,300) | (3,208,500) |
| Total | 344,618,779 | 340,857,500 | 340,219,400 | 337,464,700 | (3,392,800) | (2,754,700) |
| Total Budgeted Positions | 2,052 | 2,019 | - | 1,956 | (63) | - |

BUDGET TREND

To provide a longer-term picture of Metropolitan’s costs, Figure 1 shows the major expenditure categories over the past two years, the estimate for the current fiscal year, as well as the projection for the following four years. From 2007/08 through 2014/15, expenditures are forecast to increase by about \$706 million, or about 7 percent annually. The primary cost drivers from 2008/09 to 2013/14 are a \$218-million increase in debt service and PAYGO expenditures, a \$217million increase in fixed State Water Project Costs, \$122 million increase in supply program costs, and a \$97-million increase in departmental O&M.

Figure 1. Seven-year ExpenditureTrend



USES OF FUNDS

As shown in Table 1, the total FY 2010/11 cash outlays for State Water Contract (SWC) payments, supply programs, Colorado River Aqueduct (CRA) power, debt service, demand management programs, O&M, and the CIP are budgeted at \$1.73 billion. This is \$65.8 million (3.7 percent) less than the 2009/10 budget and \$50.1 million (3percent) greater than projected. Under this financing package, \$95 million of water revenues will be used to fund a portion of the Replacement and Refurbishment work in the CIP. This is \$58.3 million more than budgeted for 2009/10.

SOURCES OF FUNDS

As shown in Table 3, 2010/11 sources of funds will total \$2.03 billion. This includes receipts of \$1.92 billion, with water sales receipts of \$1.22 billion accounting for 63 percent of receipts. These receipts are based on projected water sales of 1.93 million acre-feet and include an increase in base rates and charges of 12.4 percent, effective January 1, 2011. Other revenues include readiness-to-serve charge revenues of \$123.5 million, revenues from the capacity charge of \$34.9 million, and tax and annexation revenues of about \$81.8 million. Interest earnings are expected to be \$36 million, about \$1.8 million higher than the 2009/10 budget, reflecting higher estimated fund balances. Power and other miscellaneous receipts are expected to generate about \$22.4 million.

Capital projects will be funded from a combination of existing bond funds and revenues. Revenues will be used to fund about \$95 million of the capital costs. In addition, bond proceeds will provide about \$233 million toward the CIP.

Table 3. 2010/11 Annual Budget Uses and Sources of Funds – Cash Basis (Dollars in Millions)

| | 2008/09 Actual | 2009/10 Budget | 2009/10 Projected | 2010/11 Proposed Budget | 2010/11 Proposed Budget Compared | |
|---|-------------------|-------------------|----------------------|-------------------------------|-------------------------------------|----------------------|
| | | | | | 2009/10 Budget | 2009/10 Projected |
| USES OF FUNDS | | | | | | |
| Expenditures | | | | | | |
| State Water Contract | \$ 394.7 | \$ 478.8 | \$ 452.7 | \$ 497.3 | \$ 18.6 | \$ 44.6 |
| Supply Programs | 84.1 | 125.5 | 113.8 | 103.2 | (22.3) | (10.7) |
| Colorado River Power | 37.4 | 49.8 | 46.3 | 59.6 | 9.8 | 13.3 |
| Debt Service | 287.1 | 330.7 | 305.0 | 348.1 | 17.4 | 43.1 |
| Demand Management | 75.6 | 59.8 | 76.9 | 58.2 | (1.6) | (18.6) |
| Departmental O&M | 291.5 | 289.3 | 294.2 | 295.5 | 6.2 | 1.4 |
| Treatment Chemicals, Solids & Power | 28.4 | 32.8 | 29.5 | 26.5 | (6.3) | (3.0) |
| Other O&M | 24.8 | 18.7 | 16.6 | 15.4 | (3.3) | (1.1) |
| Sub-total Expenditures | 1,223.6 | 1,385.5 | 1,334.9 | 1,403.9 | 18.4 | 69.0 |
| Capital Investment Plan | 416.7 | 412.1 | 346.7 | 327.8 | (84.2) | (18.9) |
| Fund Deposits | | | | | | |
| R&R and General Fund | 30.1 | 36.7 | 36.7 | 95.0 | 58.3 | 58.3 |
| Revenue Bond Construction | - | 130.3 | - | 131.2 | 0.9 | 131.2 |
| Water Stewardship Fund | - | - | - | 2.9 | 2.9 | 2.9 |
| Interest for Construction & Trust Funds | 4.2 | 0.0 | 6.0 | 4.5 | 4.5 | (1.4) |
| Increase in Required Reserves | 44.0 | 61.3 | 35.7 | 65.0 | 3.8 | 29.3 |
| Increase in Rate Stabilization Fund | - | - | - | - | - | - |
| Sub-total Fund Deposits | 88.8 | 228.3 | 78.4 | 298.7 | 70.4 | 220.3 |
| TOTAL USES OF FUNDS | \$ 1,729.1 | \$ 2,025.8 | \$ 1,760.0 | \$ 2,030.4 | \$ 4.6 | \$ 270.5 |
| SOURCES OF FUNDS | | | | | | |
| Receipts | | | | | | |
| Taxes | \$ 103.8 | \$ 90.4 | \$ 91.1 | \$ 80.8 | \$ (9.7) | \$ (10.4) |
| Annexations | 1.4 | 1.0 | 1.0 | 1.0 | - | - |
| Interest Income | 36.4 | 34.2 | 31.5 | 36.0 | 1.8 | 4.5 |
| Hydro Power | 22.5 | 24.1 | 23.3 | 22.4 | (1.7) | (0.9) |
| Fixed Charges (RTS & Capacity Charge) | 119.7 | 136.3 | 136.4 | 158.4 | 22.1 | 22.0 |
| Water Sales Revenue | 988.1 | 1,078.6 | 1,068.7 | 1,215.6 | 137.0 | 146.9 |
| Miscellaneous Revenue | 8.4 | 8.8 | 30.3 | 19.2 | 10.4 | (11.1) |
| Bond Proceeds and Reimbursements | 367.0 | 528.0 | - | 384.0 | (144.0) | 384.0 |
| Sub-total Receipts | 1,647.3 | 1,901.5 | 1,382.4 | 1,917.4 | 15.9 | 535.0 |
| Fund Withdrawals | | | | | | |
| Water Transfer Fund | 7.8 | - | 12.1 | - | - | (12.1) |
| R&R and General Fund | 34.3 | 36.7 | 36.7 | 95.0 | 58.3 | 58.3 |
| Bond Funds for Construction | 46.1 | - | 310.0 | - | - | (310.0) |
| Water Stewardship Fund | 24.7 | 0.9 | - | - | (0.9) | - |
| Decrease in Required Reserves | - | 29.9 | - | - | (29.9) | - |
| Decrease in Rate Stabilization Fund | (31.2) | 56.8 | 18.8 | 18.0 | (38.8) | (0.8) |
| Sub-total Fund Withdrawals | 81.7 | 124.3 | 377.6 | 113.0 | (11.3) | (264.6) |
| TOTAL SOURCES OF FUNDS | \$ 1,729.1 | \$ 2,025.8 | \$ 1,760.0 | \$ 2,030.4 | \$ 4.6 | \$ 270.5 |

Totals may not foot due to rounding.

FINANCIAL RATIOS

The revenue bond debt service coverage ratio is forecast to be just under the Board's adopted target of 2 times revenue bond debt service. Assuming a 12.4 percent increase in rates and charges, the debt service coverage ratio is expected to be about 1.9 times coverage in 2010/11. Metropolitan's fixed charge coverage is expected to be almost 1.3 times, which meets the board-adopted objective of 1.2 times coverage.

RESERVES

Based on projected receipts and expenditures, it is estimated that the total balance in the Water Rate Stabilization, Revenue Remainder, the Treatment Surcharge Stabilization Fund, and Water Stewardship funds will be about \$311.1 million. Total restricted and unrestricted reserves are estimated to be \$1,237.1 million on June 30, 2011.

Attachment 1, FY 2010/11 Proposed Budget Summary, discusses the sources of funds, including receipts and fund withdrawals, and uses of funds including expenditures and fund deposits in more detail.

Additional Materials

The FY 2010/11 Proposed Budget book was provided to the Board the week of January 25, 2010 and is available on Metropolitan's Web site at www.mwdh2o.com.

Policy

Metropolitan Water District Administrative Code Section 5108: Annual Budget

California Environmental Quality Act (CEQA)

CEQA determination for Options #1 and #2:

The proposed actions are not defined as a project under CEQA, because they involve continuing administrative activities, such as general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed actions are not subject to CEQA because they involve the creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). For those anticipated projects listed in the budget that may require subsequent board approval, a CEQA review will be carried out and, if appropriate, environmental documentation for such projects will be prepared and processed in accordance with CEQA and the State CEQA Guidelines.

The CEQA determination is: Determine that the proposed actions are not subject to CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

Board Options

Option #1

Adopt the CEQA determination and

- a. Approve the 2010/11 Budget;
- b. Appropriate \$1.06 billion for the projected annual cash outlays for Metropolitan O&M and operating equipment, power costs on the Colorado River Aqueduct, SWP operations, maintenance, power and replacement costs and SWP capital charges; demand management programs including the local resources and conservation credits program; and costs associated with supply programs;
- c. Appropriate as continuing appropriations, \$348.1 million for 2010/11 debt service on Metropolitan general obligation and revenue bonds; and
- d. Authorize the use of \$95 million in operating revenues to fund Replacement and Refurbishment expenditures in 2010/11.

Fiscal Impact: \$1.5 billion in FY 2010/11

Business Analysis: Funds are necessary for the continuing business operations of Metropolitan.

Option #2

Adopt the CEQA determination and approve the 2010/11 Budget with changes as recommended by the Board.

Fiscal Impact: Impact depends on adopted changes.

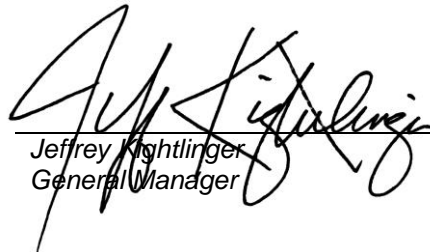
Business Analysis: Funds are necessary for the continuing business operations of Metropolitan.

Staff Recommendation

Option #1


 Brian G. Thomas
 Chief Financial Officer

4/1/2010
 Date


 Jeffrey Lightlinger
 General Manager

4/1/2010
 Date

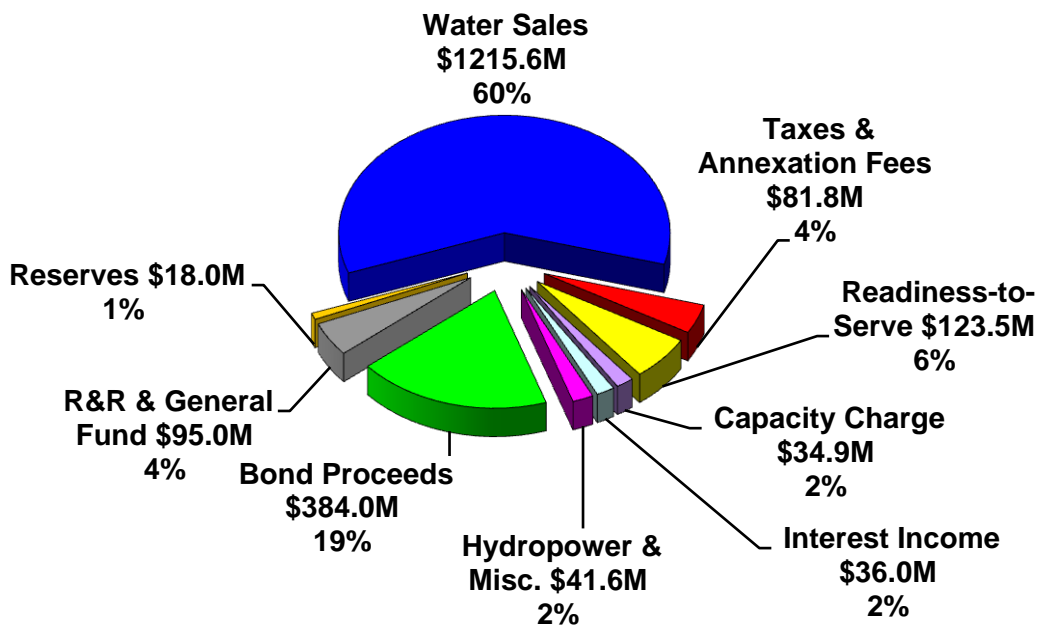
Attachment 1 – FY 2010/11 Budget Summary

Budget Summary

The annual budget includes a discussion of cash basis sources and uses of funds. The budget is developed and monitored on a cash basis. This means that revenues and expenses are recognized when cash is received and

when cash is disbursed. Accrual basis accounting records, by contrast, recognize revenues and expenses in the period they are earned and incurred regardless of whether cash has been received or disbursed.

Figure 1. 2010/11 Sources of Funds (\$2.03 billion)



SOURCES OF FUNDS

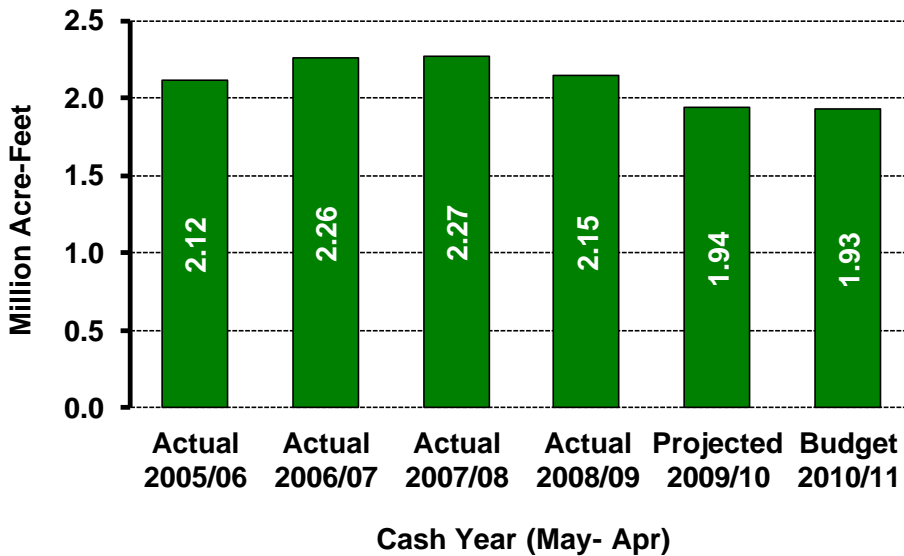
Estimated receipts from water sales, the readiness-to-serve (RTS) charge, the capacity charge, taxes, annexation fees, interest income, power recoveries, and other miscellaneous income are projected to be \$1.53 billion for fiscal year 2010/11 and constitute the major revenue sources for Metropolitan. This is \$159.9 million more than the 2009/10 Budget. The increase in revenues is primarily due to increases in water rates in 2010 and 2011. Figure 1 shows the major sources of funds. Summaries of sources and uses of funds are shown in Tables 5 and 6 at the end of this section. A description of each revenue source is included in the Glossary of Terms.

Water Sales

Receipts from water sales are budgeted at \$1,215.6 million and are based on rates and charges adopted by the Board for January 1, 2010 and an increase in base rates and charges of 12.4 percent on January 1, 2011. These rates would fully recover the cost-of-service in 2010/11.

Water sales for 2010/11 are estimated to be 1.93 million acre-feet (MAF) during the May through April period (cash year). Water sold during the cash year results in revenue collections in the July-to-June fiscal year.

Figure 2. Five-Year Trend of Water Sales



The 2010/11 cash year water sales include 1.71 MAF of firm sales, zero replenishment sales, 62 thousand acre-feet (TAF) of agricultural sales, and 156 TAF in wheeled / exchanged sales. Treated sales are estimated to be 1.25 MAF or 65 percent of total sales. Figure 2 shows the five-year trend of water sales.

Taxes and Annexation Fees

Revenues from taxes and annexation fees, which will be used to pay voter-approved debt service on general obligation bonds and a portion of the capital costs of the State Water Contract (SWC), are estimated to be \$81.8 million.

Capacity and Readiness-to-Serve Charges

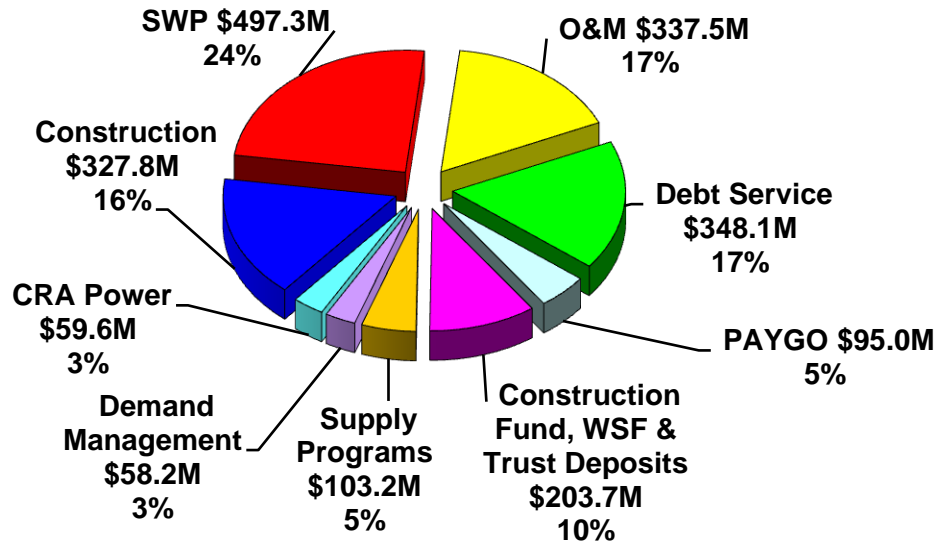
The Capacity Charge and Readiness-to-Serve Charge for 2010/11 are estimated to generate \$123.5 million and \$34.9 million, respectively, or \$22 million more in total than in the 2009/10 budget.

Other Revenue

Interest earnings are estimated to total \$36 million, including trust accounts and construction funds. This represents a \$1.8 million increase from the 2009/10 Budget due primarily to higher estimated fund balances. Receipts from hydroelectric and Colorado River Aqueduct (CRA) power sales are estimated to be \$22.4 million, about \$1.7 million lower than the 2009/10 budget.

Other Sources

To meet the ongoing funding requirements of the CIP, Metropolitan plans to issue \$400 million of fixed rate bonds in 2010/11. These bonds are expected to generate \$364 million in bond proceeds of which \$232.8 million will be used to fund the CIP in 2010/11. The remaining CIP funding requirements will be met from current operating funds (i.e., \$95 million from the Replacement & Refurbishment (R&R) and General Funds). In 2010/11, a total of \$2.03 billion will be available for expenditures and other obligations.

Figure 3. 2010/11 Uses of Funds (\$2.03 billion)

USES OF FUNDS

Total uses of funds are \$2.03 billion. Figure 3 shows the breakdown of expenditures and other obligations that make up the Uses of Funds for 2010/11.

Colorado River Aqueduct Power

CRA power costs are projected to be \$59.6 million based on pumping 1.18 MAF at Whitsett Intake Pumping Plant. This is \$9.8 million more than the 2009/10 budget, which included the diversion of 882 TAF. The increase in pumping costs from the 2009/10 budget reflects the higher pumping volumes in 2010/11.

State Water Contract

State Water Contract (SWC) expenditures are budgeted at \$497.3 million, \$18.6 million more than the 2009/10 budget, based on total deliveries of 922 TAF, of which 69 TAF are received via exchange.

SWC power costs are expected to be \$175.9 million or \$7.3 million higher than the 2009/10 budget and include the cost for pumping about 853 TAF. The average total unit cost of SWC power is expected to be about \$206 per acre-foot, which includes

\$89 per acre-foot for fixed power costs and \$117 per acre-foot for variable pumping costs.

SWC minimum operations, maintenance, power, and replacement charges are \$1.6 million lower than the 2009/10 Budget. Capital charges are expected to be \$12.9 million higher than the 2009/10 Budget.

Demand Management Costs

Metropolitan provides financial assistance to its member agencies for the development of local water recycling and groundwater recovery projects through the Local Resource Program (LRP). Metropolitan also provides financial assistance for the development of conservation programs through the Conservation Credits Program (CCP).

As part of the LRP, Metropolitan has entered into agreements to provide financial assistance to 63 water-recycling projects. Fifty-eight of these projects are in operation and the remaining five projects are under design or construction. Recycling projects that receive Metropolitan contributions are expected to produce 194 TAF of recycled water, principally for landscape irrigation,

groundwater recharge, and industrial uses. In 2010/11, Metropolitan is expected to spend \$29.4 million on these efforts.

Metropolitan has also entered into agreements to provide financial assistance to 23 projects to recover contaminated groundwater. Twenty-two of these groundwater recovery projects are in operation and are expected to produce about 57 TAF in 2010/11 at a cost to Metropolitan of \$9.7 million.

The Conservation Credits Program (CCP) provides financial assistance to customers in Metropolitan's service area for water conservation programs. The 2010/11 budget contains \$19.1 million for the CCP to provide rebate funding for residential, commercial, industrial, and landscape conservation activities. Metropolitan's conservation program will be updated as part of the 2010 Integrated Resources Plan Update. The 2010/11 budget of \$19.1 million is equal to the 2009/10 budget and represents the program that is currently in place. Future budgets will be adjusted as new board policy on the conservation program is adopted.

OPERATIONS AND MAINTENANCE

The 2010/11 Proposed O&M Budget, including operating equipment purchases, is estimated to be \$337.5 million. This is \$3.4 million less than the 2009/10 budget of \$340.9 million and \$2.7 million less than the current year projected expenditures. The O&M budget is the result of continuing management efforts to increase efficiency and reduce costs while meeting the Board's priorities. Table 1 presents a summary of the O&M budget by expenditure type.

Labor costs, not including those charged to construction, are \$213 million, which is \$8.3 million, or 4 percent higher than the 2009/10 Budget of \$204.7 million. This increase is the result of various upward pressures including:

- A significant shift in direct labor from capital projects to deferred water system O&M work and for required engineering and right-of-way support for Bay-Delta efforts;
- Increases in the cost of employee benefits, particularly related to healthcare and pension benefits; and
- Merit increases for eligible employees.

While these factors lead to labor cost increases, the 2010/11 budget assumes no cost-of-living adjustments in salaries for the workforce. The budget also reflects a total net reduction of 63 budgeted positions. Most of these positions had been held vacant in the 2009/10 budget, and eliminating these positions leads to a reduction in the vacancy factor from 5.5 percent to 2.6 percent in 2010/11.

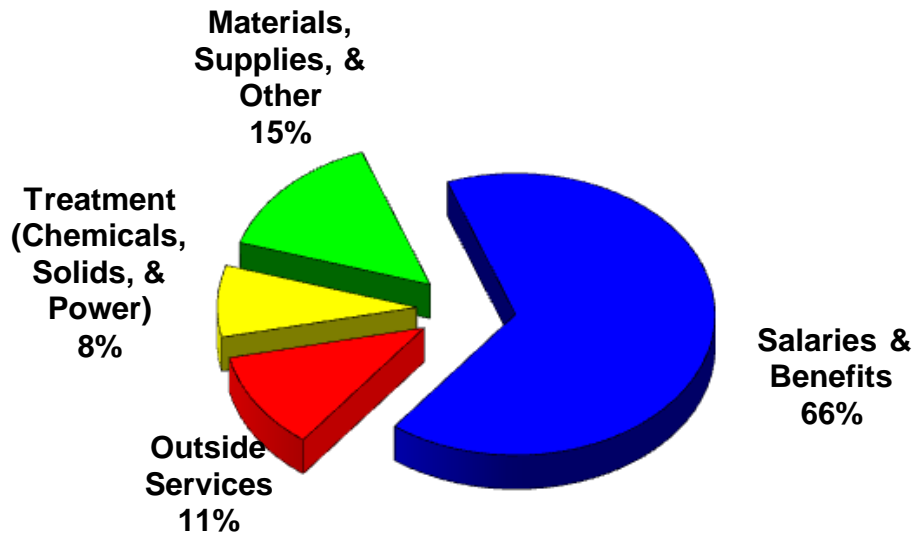
O&M costs other than labor in the 2010/11 proposed budget are \$11.7 million less than the 2009/10 budget. Cost reductions include a \$6.3-million decrease in water treatment costs due to blend considerations and treatment optimization efforts, a \$3.2-million decrease in operating equipment purchases, and a \$2.7-million decrease in conservation advertising and its related professional services. Cost increases which partially offset these reductions include \$0.7 million for the annual Bay-Delta fund and \$0.7 million in professional service support for the Bay-Delta efforts in engineering and right of way.

Table 1. 2010/11 Operations & Maintenance Annual Budget (dollars) by Expenditure Type

| | 2008/09 Actual | 2009/10 Budget | 2009/10 Projected | 2010/11 Proposed | Change from: | |
|------------------------------|--------------------|--------------------|----------------------|---------------------|--------------------|----------------------|
| | | | | | 2009/10 Budget | 2009/10 Projected |
| Salaries & Benefits | 208,025,600 | 204,714,300 | 205,974,400 | 212,976,500 | 8,262,200 | 7,002,100 |
| Chemicals, Solids, and Power | 28,381,871 | 32,837,200 | 29,492,300 | 26,493,300 | (6,343,900) | (2,999,000) |
| Outside Services | 39,451,600 | 36,695,900 | 38,200,000 | 37,839,200 | 1,143,300 | (360,800) |
| Materials & Supplies ** | 22,749,536 | 21,673,310 | 22,138,288 | 22,559,271 | 885,961 | 420,983 |
| Cargill Settlement | 3,765,000 | 1,604,900 | 817,000 | 500,000 | (1,104,900) | (317,000) |
| Other | 33,312,694 | 38,079,090 | 38,297,412 | 35,004,829 | (3,074,261) | (3,292,583) |
| Operating Equipment | 8,932,478 | 5,252,800 | 5,300,000 | 2,091,500 | (3,161,300) | (3,208,500) |
| Total | 344,618,779 | 340,857,500 | 340,219,400 | 337,464,700 | (3,392,800) | (2,754,700) |
| Total Budgeted Positions | 2,052 | 2,019 | - | 1,956 | (63) | - |

Totals may not foot due to rounding.

Figure 4. 2010/11 Departmental Budget by Expenditure Type



A summary of the 2010/11 O&M Budget by organization is shown in Table 2. Vendor administration of the Conservation Credits Program (CCP) is now reflected as Other O&M for greater visibility. These expenditures were part of the 2009/10 O&M budget for the Water Resource Management (WRM) Group. As a result, Table 1 reflects a decrease in WRM’s budget and corresponding increase in the CCP Vendor Administration line of Other O&M.

Figure 4 depicts the distribution of the departmental O&M for each organization, i.e., without other O&M, the overhead credit, and operating equipment. Including treatment costs, the Water System Operations Group (WSO) accounts for 56 percent of the total departmental budget. In 2010/11, Metropolitan’s departmental organization will

change to reflect the increasing demand and focus on Bay-Delta issues. Staff and professional services budgets will be moved from the Water Resource Management Group and the Office of the General Manager into a new Bay-Delta Initiatives Group. This group will provide direct support to the ongoing Bay-Delta negotiations and analysis associated with the Delta Habitat Conservation and Conveyance Program (DHCCP). Table 1 and figure 4 do not reflect this organizational change, but they will be updated in the final budget documents, with no impact on the overall budget, as the makeup of the new Bay-Delta Initiatives Group is finalized.

Figure 5 summarizes the total departmental O&M budget by expenditure type, of which 66 percent is for salaries and benefits.

Figure 5. 2010/11 Departmental Budget by Organization
 (without Other O&M, operating equipment, and overhead credit, \$342.0 million)

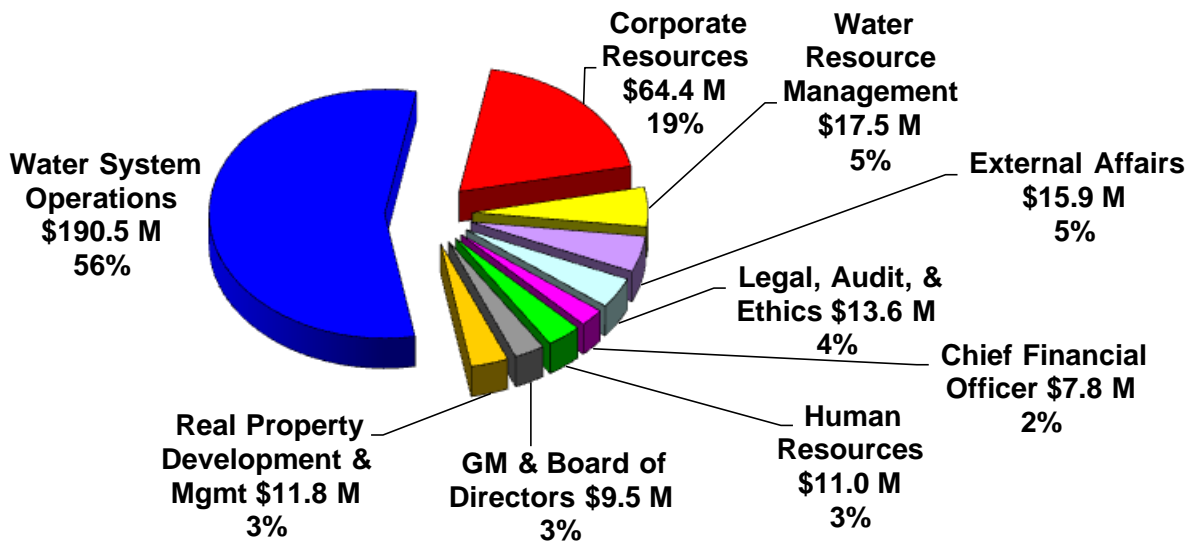


Table 2. 2010/11 Operations & Maintenance Annual Budget (dollars) by Organization

| Departmental Units | 2009/10 Budget | 2009/10 Projected | 2010/11 Final Budget | Change | | | |
|--|----------------------|----------------------|-------------------------|---------------------------------|---------------|------------------------------------|---------------|
| | | | | 2010/11 to 2009/10 Budget | % | 2010/11 to 2009/10 Projected | % |
| Office of the General Manager | \$ 7,815,600 | \$ 7,965,100 | \$ 9,549,700 | \$ 1,734,100 | 22.2% | \$ 1,584,600 | 19.9% |
| Water System Operations w/o Variable Treatment | 159,273,500 | 162,518,700 | 163,968,000 | 4,694,500 | 2.9% | 1,449,300 | 0.9% |
| Water Resource Management | 19,680,200 | 21,601,600 | 17,520,400 | (2,159,800) | (11.0%) | (4,081,200) | (18.9%) |
| Corporate Resources | 59,819,300 | 60,114,100 | 64,360,400 | 4,541,100 | 7.6% | 4,246,300 | 7.1% |
| Real Property Development & Mgmt | 11,250,700 | 11,290,600 | 11,778,000 | 527,300 | 4.7% | 487,400 | 4.3% |
| Human Resources | 10,843,900 | 10,842,100 | 10,988,500 | 144,600 | 1.3% | 146,400 | 1.4% |
| Office of the Chief Financial Officer | 7,837,400 | 8,090,900 | 7,838,600 | 1,200 | 0.0% | (252,300) | (3.1%) |
| External Affairs | 18,236,700 | 18,288,800 | 15,939,600 | (2,297,100) | (12.6%) | (2,349,200) | (12.8%) |
| Subtotal - General Manager's Dep. | 294,757,300 | 300,711,900 | 301,943,200 | 7,185,900 | 2.4% | 1,231,300 | 0.4% |
| General Counsel | 10,165,000 | 10,165,000 | 10,310,000 | 145,000 | 1.4% | 145,000 | 1.4% |
| General Auditor | 2,719,000 | 2,672,600 | 2,662,100 | (56,900) | (2.1%) | (10,500) | (0.4%) |
| Ethics Office | 609,600 | 609,200 | 620,000 | 10,400 | 1.7% | 10,800 | 1.8% |
| Overhead Credit from Construction | (18,921,300) | (20,000,300) | (20,000,000) | (1,078,700) | 5.7% | 300 | (0.0%) |
| Total Departmental Budget | 289,329,600 | 294,158,400 | 295,535,300 | 6,205,700 | 2.1% | 1,376,900 | 0.5% |
| Other O&M | | | | | | | |
| Cargill Settlement | 1,604,900 | 817,000 | 500,000 | (1,104,900) | (68.8%) | (317,000) | (38.8%) |
| CCP Vendor Administration | - | - | 1,728,600 | 1,728,600 | NA | 1,728,600 | NA |
| Performance Programs | 650,000 | 370,100 | 650,000 | - | NA | 279,900 | 75.6% |
| Association Dues | 2,180,000 | 2,079,000 | 2,200,000 | 20,000 | 0.9% | 121,000 | 5.8% |
| Contingency | - | - | - | - | NA | - | NA |
| Insurance | 8,000,000 | 7,000,000 | 7,250,000 | (750,000) | (9.4%) | 250,000 | 3.6% |
| Leases | 472,600 | 472,600 | 475,000 | 2,400 | 0.5% | 2,400 | 0.5% |
| Taxes | 530,400 | 530,000 | 541,000 | 10,600 | 2.0% | 11,000 | 2.1% |
| Subtotal - Other | 13,437,900 | 11,268,700 | 13,344,600 | (93,300) | (0.7%) | 2,075,900 | 18.4% |
| TOTAL OPERATIONS & MAINTENANCE | 302,767,500 | 305,427,100 | 308,879,900 | 6,112,400 | 2.0% | 3,452,800 | 1.1% |
| Operating Equipment | 5,252,800 | 5,300,000 | 2,091,500 | (3,161,300) | (60.2%) | (3,208,500) | (60.5%) |
| Variable Treatment | 32,837,200 | 29,492,300 | 26,493,300 | (6,343,900) | (19.3%) | (2,999,000) | (10.2%) |
| GRAND TOTAL | \$340,857,500 | \$340,219,400 | \$337,464,700 | \$ (3,392,800) | (1.0%) | \$ (2,754,700) | (0.8%) |

Totals may not foot due to rounding

LABOR

The total personnel complement (including temporary workers) for 2010/11 is 1,956 positions, down a total of 63 full-time-equivalent (FTE) positions from 2009/10. O&M personnel are down by 34 positions to 1,628. Positions dedicated to capital work are down by 29.

The personnel complement is broken down on Tables 3 and 4. The O&M budget includes a vacancy rate of about 2.6 percent, as compared to the 5.5 percent vacancy rate in the 2009/10 budget.

Table 2. Regular and Temporary Positions

| | 2007/08 Budget | 2008/09 Budget | 2009/10 Budget | 2010/11 Proposed Budget | Change from 2009/10 |
|------------------------------|---------------------------|---------------------------|---------------------------|--|------------------------------------|
| Regular Full Time Positions | 2,021 | 2,021 | 2,000 | 1,931 | -69 |
| District Temporary Positions | 39 | 23 | 16 | 22 | 6 |
| Agency Temporary Positions | 9 | 8 | 3 | 3 | 0 |
| Total | 2,069 | 2,052 | 2,019 | 1,956 | -63 |

Table 3. O&M and Capital Staffing Levels

| | 2009/10 | | | 2010/11 | | |
|---|----------------|----------------|--------------|----------------|----------------|--------------|
| | O&M | Capital | Total | O&M | Capital | Total |
| Regular Full Time Positions | 1,643 | 357 | 2,000 | 1,607 | 324 | 1,931 |
| District and Agency Temporary Positions | 19 | - | 19 | 21 | 4 | 25 |
| Total | 1,662 | 357 | 2,019 | 1,628 | 328 | 1,956 |

Supply Programs

Major supply program expenditures for 2010/11 are estimated to be \$103.2 million and include:

- \$32.4 million State Water Project Transfer Programs;
- \$26.8 million for Colorado Programs;
- \$17.3 million for the Palo Verde Irrigation District (PVID) Land Management Program;
- \$10.1 million for operating and maintaining the IID/MWD conservation agreement;
- \$9.8 million for In-Basin Projects;
- \$4.2 million for the Arvin-Edison Storage Program; and
- \$2.6 million for the Semitropic Groundwater Storage and Exchange Program.

These storage programs are expected to recover 97 TAF of previously stored groundwater supplies and generate 405 TAF of net transfer deliveries on the Colorado River Aqueduct and State Water Project.

ANNUAL CAPITAL INVESTMENT PLAN

The Capital Investment Plan (CIP) budget for 2010/11 is estimated to be \$327.8 million and is funded by a combination of debt and current

operating revenues (R&R and General Fund). The proposed 2010/11 capital budget is \$84.3 million lower than the 2009/10 Budget.

With the completion of the Arrowhead Tunnels, the final reach of the Inland Feeder, in 2009, the two largest areas of expenditures in the FY 2010/11 CIP are Rehabilitation & Replacements (R&R) and Water Quality. It is currently anticipated that infrastructure expenditures will continue to grow as more facilities reach the end of their service life.

There are 335 projects included in the 2010/11 CIP. Major CIP projects that will be in design and/or construction next fiscal year include:

- \$116 million for Treatment Plant improvements including the Oxidation Retrofit Program (ORP) projects at the Diemer and Weymouth treatment plants;
- \$94 million for R&R of Metropolitan's five treatment plants; and
- \$78 million for R&R projects at Metropolitan's other facilities;

The projects listed above account for 89 percent of the total 2010/11 CIP expenditures. Figure 5 shows the planned expenditures in the 2010/11 CIP under the five project driver categories.

These projects are also categorized by the service functions that are the foundation of Metropolitan's cost-of-service including source of supply, conveyance, storage, treatment, distribution, and general. The 2010/11 expenditure plan by major service function is shown in Figure 6.

Figure 5. 2010/11 Capital Investment Plan by Major Project Driver

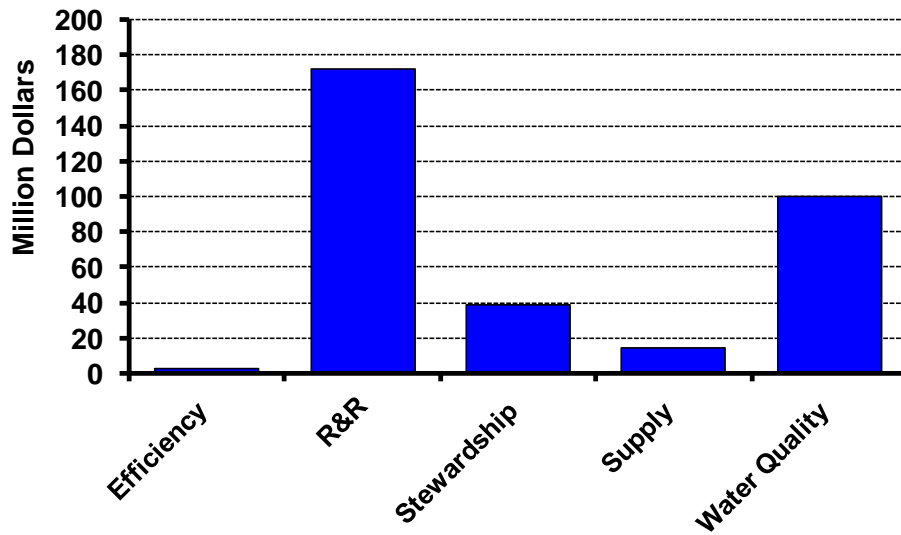
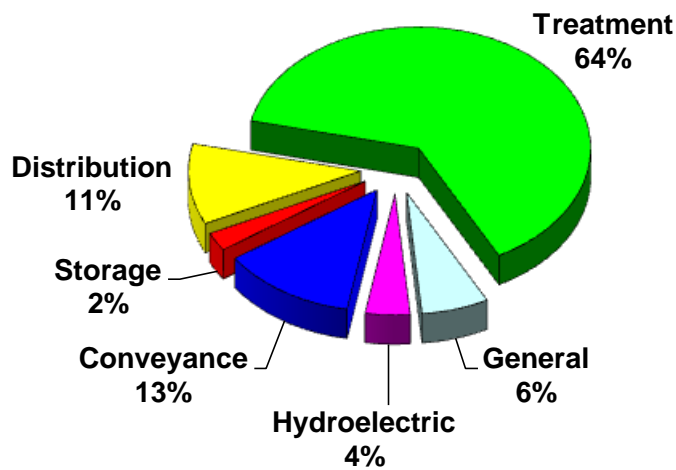


Figure 6. 2010/11 Capital Investment Plan by Service Function



Cash Funded Capital

The 2009/10 CIP includes Replacement & Refurbishment (R&R) and other projects (funded from General Fund). The combined cash financing from operating revenues for the R&R and General Fund will total \$95 million, commonly referred to as Pay-As-You-Go (PAYGO) funding.

Debt Service

The portion of the CIP that is not funded from cash will be funded from bond proceeds. In 2010/11, \$232.8 million of capital will be funded with bond proceeds. Metropolitan plans to issue \$400 million in new debt in 2010/11. This will result in construction proceeds of \$364.1 million. Approximately \$131.3 million in bond proceeds will remain in the construction bond fund for use in 2011/12.

Debt service payments are budgeted to be \$348.1 million and include \$39 million in G.O. bond debt service, \$294 million in revenue bond debt service, \$12.5 million in variable rate debt administration costs (liquidity, remarketing fees, and broker-dealer fees), and \$2.6 million for State Revolving Fund Loan payments. Total debt service costs are \$17.4 million more than the 2009/10 Budget.

Metropolitan currently has \$4.8 billion in outstanding debt. Of this amount, \$4.6 billion is revenue bond debt, of which 15 percent is in a variable rate mode.

Reserve Transfers

The 2010/11 budget will add \$0.4 million to reserves with a 12.4 percent rate increase effective January 2011. While in total, there will be close to no change in Metropolitan's reserve funds, there will be some transfers among the funds. The Water Rate Stabilization Fund (WRSF) and the Treatment Surcharge Stabilization Fund (TSSF) are expected to be drawn down by about \$18 million. Conversely, the Revenue Remainder Fund is expected to increase by \$15.5 million and the Water Stewardship Fund (WSF) is expected to increase to \$2.9 million.

FUND BALANCES AND RESERVE LEVELS

Metropolitan operates as a single enterprise fund for financial statements and budgeting purposes. Through its Administrative Code, Metropolitan identifies a number of accounts, which are referred to as funds, to separately track uses of monies for specific purposes as summarized in Table 6. Fund balances are budgeted to be \$1,237.1 million at June 30, 2011. Of that total, \$895.2 million is restricted by bond covenants, contracts, or board policy, and \$341.9 million is unrestricted. Table 4 shows a breakdown of reserves by fund type. Figure 7 shows the distribution of funds by type.

The minimum and maximum reserve fund targets are estimated to be \$235.6 million and \$575 million, respectively, at June 30, 2011. Based on projected receipts and expenditures, it is estimated that the balance in the WRSF, TSSF, Revenue Remainder Fund, and WSF will total about \$311.1 million, about \$75.5 million over the minimum target.

Table 4. Projected Fund Balances at June 30, 2011 (dollars in millions)

| | Restricted | | Unrestricted | Total |
|---------------------------|--------------|--------------|--------------|----------------|
| | Contractual | Board | | |
| Operating Funds | 233.3 | 109.2 | | 342.5 |
| Debt Service Funds | 340.4 | | | 340.4 |
| Construction Funds | 211.2 | | 33.8 | 244.9 |
| Rate Stabilization Funds* | | | 308.2 | 308.2 |
| Water Transfer Fund | | - | | - |
| Trust and Other Funds | 1.1 | | | 1.1 |
| Total | 786.0 | 109.2 | 341.9 | 1,237.1 |

* includes Water Rate Stabilization Fund, Water Treatment Surcharge Stabilization Fund and the Revenue Remainder Fund

Totals may not foot due to rounding.

Figure 7. Fund Distribution by Type at June 30, 2011

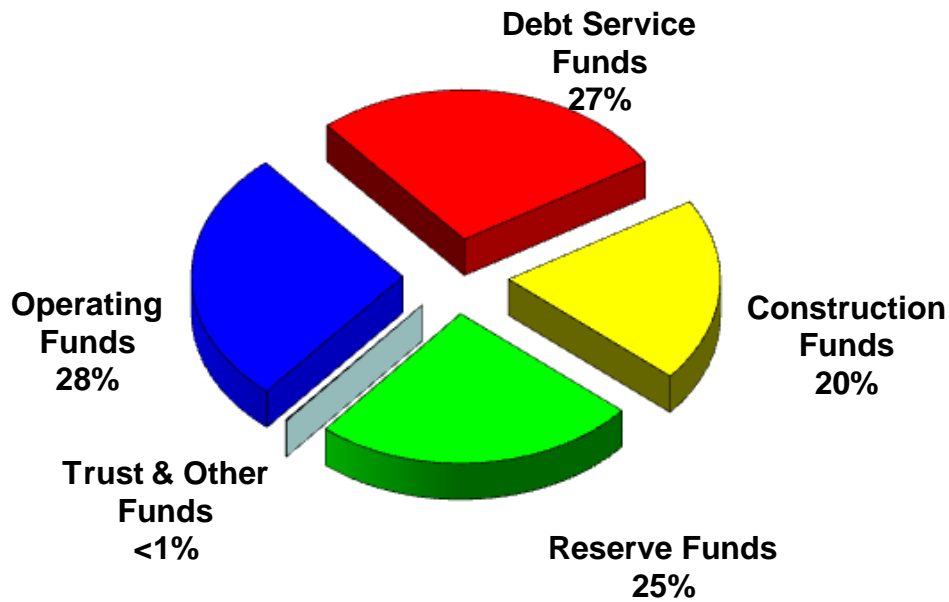


Table 5. 2010/11 Budget Sources and Uses of Funds (dollars in millions)

| | 2008/09 Actual | 2009/10 Budget | 2009/10 Projected | 2010/11 Final Budget | 2010/11 Proposed Budget Compared | |
|---|-------------------|-------------------|----------------------|----------------------------|-------------------------------------|----------------------|
| | | | | | 2009/10 Budget | 2009/10 Projected |
| USES OF FUNDS | | | | | | |
| Expenditures | | | | | | |
| State Water Contract | \$ 394.7 | \$ 478.8 | \$ 452.7 | \$ 497.3 | \$ 18.6 | \$ 44.6 |
| Supply Programs | 84.1 | 125.5 | 113.8 | 103.2 | (22.3) | (10.7) |
| Colorado River Power | 37.4 | 49.8 | 46.3 | 59.6 | 9.8 | 13.3 |
| Debt Service | 287.1 | 330.7 | 305.0 | 348.1 | 17.4 | 43.1 |
| Demand Management | 75.6 | 59.8 | 76.9 | 58.2 | (1.6) | (18.6) |
| Enhanced Regional Programs | - | - | - | - | - | - |
| Departmental O&M | 291.5 | 289.3 | 294.2 | 295.5 | 6.2 | 1.4 |
| Treatment Chemicals, Solids & Power | 28.4 | 32.8 | 29.5 | 26.5 | (6.3) | (3.0) |
| Other O&M | 24.8 | 18.7 | 16.6 | 15.4 | (3.3) | (1.1) |
| Sub-total Expenditures | 1,223.6 | 1,385.5 | 1,334.9 | 1,403.9 | 18.4 | 69.0 |
| Capital Investment Plan | 416.7 | 412.1 | 346.7 | 327.8 | (84.2) | (18.9) |
| Fund Deposits | | | | | | |
| Water Transfer Fund | 10.5 | - | - | - | - | - |
| R&R and General Fund | 30.1 | 36.7 | 36.7 | 95.0 | 58.3 | 58.3 |
| Revenue Bond Construction | - | 130.3 | - | 131.2 | 0.9 | 131.2 |
| Water Stewardship Fund | - | - | - | 2.9 | 2.9 | 2.9 |
| Interest for Construction & Trust Funds | 4.2 | 0.0 | 6.0 | 4.5 | 4.5 | (1.4) |
| Increase in Required Reserves | 44.0 | 61.3 | 35.7 | 65.0 | 3.8 | 29.3 |
| Increase in Rate Stabilization Fund | - | - | - | - | - | - |
| Sub-total Fund Deposits | 88.8 | 228.3 | 78.4 | 298.7 | 70.4 | 220.3 |
| TOTAL USES OF FUNDS | \$ 1,729.1 | \$ 2,025.8 | \$ 1,760.0 | \$ 2,030.4 | \$ 4.6 | \$ 270.5 |
| SOURCES OF FUNDS | | | | | | |
| Receipts | | | | | | |
| Taxes | \$ 103.8 | \$ 90.4 | \$ 91.1 | \$ 80.8 | \$ (9.7) | \$ (10.4) |
| Annexations | 1.4 | 1.0 | 1.0 | 1.0 | - | - |
| Interest Income | 36.4 | 34.2 | 31.5 | 36.0 | 1.8 | 4.5 |
| Hydro Power | 22.5 | 24.1 | 23.3 | 22.4 | (1.7) | (0.9) |
| Fixed Charges (RTS & Capacity Charge) | 119.7 | 136.3 | 136.4 | 158.4 | 22.1 | 22.0 |
| Water Sales Revenue | 988.1 | 1,078.6 | 1,068.7 | 1,215.6 | 137.0 | 146.9 |
| Miscellaneous Revenue | 8.4 | 8.8 | 30.3 | 19.2 | 10.4 | (11.1) |
| Bond Proceeds and Reimbursements | 367.0 | 528.0 | - | 384.0 | (144.0) | 384.0 |
| Sub-total Receipts | 1,647.3 | 1,901.5 | 1,382.4 | 1,917.4 | 15.9 | 535.0 |
| Fund Withdrawals | | | | | | |
| Water Transfer Fund | 7.8 | - | 12.1 | - | - | (12.1) |
| R&R and General Fund | 34.3 | 36.7 | 36.7 | 95.0 | 58.3 | 58.3 |
| Bond Funds for Construction | 46.1 | - | 310.0 | - | - | (310.0) |
| Water Stewardship Fund | 24.7 | 0.9 | - | - | (0.9) | - |
| Decrease in Required Reserves | - | 29.9 | - | - | (29.9) | - |
| Decrease in Rate Stabilization Fund | (31.2) | 56.8 | 18.8 | 18.0 | (38.8) | (0.8) |
| Sub-total Fund Withdrawals | 81.7 | 124.3 | 377.6 | 113.0 | (11.3) | (264.6) |
| TOTAL SOURCES OF FUNDS | \$ 1,729.1 | \$ 2,025.8 | \$ 1,760.0 | \$ 2,030.4 | \$ 4.6 | \$ 270.5 |

Totals may not foot due to rounding.

Table 6. 2010/11 Sources and Uses by Fund (dollars in millions)

| Fiscal Year Ending June 30th, 2011 (\$ in Millions) | All Funds | Operating Funds | | | | | | | Debt Service Funds | Reserve Funds (1) | Construction Funds | | Trust & Other Funds |
|--|----------------|-----------------|------------------|--------------|------------------|----------------------|---------------------------|-------------------|--------------------------|----------------------|--------------------|------------------------------|---------------------------|
| | | General | Water Revenue | O&M | Water Standby | Water Stewardship | Self-Insured Retention | State Contract | | | R&R | Revenue Bond Construction | |
| Beginning of Year Balance | 1,051.5 | 58.6 | - | 165.2 | 2.1 | - | 25.0 | 76.3 | 303.2 | 310.7 | 33.8 | 75.5 | 1.1 |
| USES OF FUNDS | | | | | | | | | | | | | |
| Expenditures | | | | | | | | | | | | | |
| State Water Contract | 497.3 | - | - | 323.2 | - | - | - | 174.1 | - | - | - | - | - |
| Supply Programs | 103.2 | - | - | 103.2 | - | - | - | - | - | - | - | - | - |
| Colorado River Power | 59.6 | - | - | 59.6 | - | - | - | - | - | - | - | - | - |
| Debt Service | 348.1 | 2.6 | - | 12.5 | - | - | - | - | 333.1 | - | - | - | - |
| Demand Management | 58.2 | - | - | 58.2 | - | - | - | - | - | - | - | - | - |
| Departmental O&M | 295.5 | - | - | 295.5 | - | - | - | - | - | - | - | - | - |
| Treatment Chemicals, Sludge & Power | 26.5 | - | - | 26.5 | - | - | - | - | - | - | - | - | - |
| Other O&M | 15.4 | 2.1 | - | 13.3 | - | - | - | - | - | - | - | - | - |
| Sub-total Expenditures | 1,403.9 | 4.7 | - | 892.1 | - | - | - | 174.1 | 333.1 | - | - | - | - |
| Capital Investment Plan | 327.8 | 41.0 | - | - | - | - | - | - | - | - | 54.0 | 232.8 | - |
| Fund Deposits | | | | | | | | | | | | | |
| R&R and General Fund | 95.0 | 41.0 | - | - | - | - | - | - | - | - | 54.0 | - | - |
| Revenue Bond Construction | 131.2 | - | - | - | - | - | - | - | - | - | - | 131.2 | - |
| Water Stewardship Fund | 2.9 | - | - | - | - | 2.9 | - | - | - | - | - | - | - |
| Interest for Construction & Trust Funds | 4.5 | - | - | - | - | - | - | - | - | - | - | 4.5 | 0.0 |
| Increase in Required Reserves | 65.0 | - | - | 9.5 | - | - | - | 2.9 | 37.1 | 15.5 | - | - | - |
| Increase in Rate Stabilization Fund | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-total Fund Deposits | 298.7 | 41.0 | - | 9.5 | - | 2.9 | - | 2.9 | 37.1 | 15.5 | 54.0 | 135.7 | 0.0 |
| TOTAL USES OF FUNDS | 2,030.4 | 86.7 | - | 901.6 | - | 2.9 | - | 177.0 | 370.2 | 15.5 | 107.9 | 368.5 | 0.0 |
| SOURCES OF FUNDS | | | | | | | | | | | | | |
| Receipts | | | | | | | | | | | | | |
| Taxes | 80.8 | - | - | - | - | - | - | 42.4 | 38.4 | - | - | - | - |
| Annexations | 1.0 | - | - | - | - | - | - | 1.0 | - | - | - | - | - |
| Interest Income | 36.0 | 1.9 | - | 5.4 | 0.1 | 0.0 | 0.8 | 2.5 | 10.2 | 9.7 | 1.1 | 4.5 | 0.0 |
| Hydro Power | 22.4 | - | 22.4 | - | - | - | - | - | - | - | - | - | - |
| Fixed Charges (RTS & Capacity Charge) | 158.4 | - | 158.4 | - | - | - | - | - | - | - | - | - | - |
| Water Sales Revenue | 1,215.6 | - | 1,215.6 | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous Revenue | 19.2 | 19.2 | - | - | - | - | - | - | - | - | - | - | - |
| Bond Proceeds | 384.0 | - | - | - | - | - | - | - | 19.9 | - | - | 364.1 | - |
| Sub-total Receipts | 1,917.4 | 21.1 | 1,396.4 | 5.4 | 0.1 | 0.0 | 0.8 | 45.8 | 68.5 | 9.7 | 1.1 | 368.5 | 0.0 |
| Fund Withdrawals | | | | | | | | | | | | | |
| Transfer Fund | - | - | - | - | - | - | - | - | - | - | - | - | - |
| R&R and General Fund | 95.0 | 41.0 | - | - | - | - | - | - | - | - | 54.0 | - | - |
| Bond Funds for Construction | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Water Stewardship Fund | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease in Required Reserves | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Decrease in Rate Stabilization Fund | 18.0 | - | - | - | - | - | - | - | - | 18.0 | - | - | - |
| Sub-total Fund Withdrawals | 113.0 | 41.0 | - | - | - | - | - | - | - | 18.0 | - | - | - |
| TOTAL SOURCES OF FUNDS | 2,030.4 | 62.1 | 1,396.4 | 5.4 | 0.1 | 0.0 | 0.8 | 45.8 | 68.5 | 27.7 | 55.0 | 368.5 | 0.0 |
| Inter-Fund Transfers | - | 24.6 | (1,396.4) | 896.2 | (0.1) | 2.8 | (0.8) | 131.1 | 301.7 | (12.2) | 52.9 | - | - |
| End of Year Balance | 1,237.1 | 58.6 | - | 174.7 | 2.1 | 2.9 | 25.0 | 79.2 | 340.4 | 308.2 | 33.8 | 211.2 | 1.1 |

(1) includes Water Rate Stabilization Fund, Water Treatment Surcharge Stabilization Fund, and the Revenue Remainder Fund
Totals may not foot due to rounding.